

# CDCI ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

BancPlus Corporation / BankPlus

Point of Contact:	William A. Ray	RSSD: (For Bank Holding Companies)	1097306
UST Sequence Number:	767	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	80,914,000	FDIC Certificate Number: (For Depository Institutions)	5903
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	February 20, 2009	City:	Ridgeland
Date Repaid <sup>1</sup> :	N/A	State:	Mississippi

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

The net increase in lending during 2010 for BancPlus Corporation on a consolidated basis was \$38,081,000.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

The major types of new loans funded during 2010 were 1-4 family residential mortgage loans, business loans, loans for agricultural production and commercial real estate loans.

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☒ Increase reserves for non-performing assets.

Reserves for non-performing assets increased from \$19,500,000 as of 12/31/2009 to \$29,000,000 as of 12/31/2010, which was an increase of \$9,500,000 or 48.72%.

☐ Reduce borrowings.

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☒ **Increase charge-offs.**

Loan charge-offs increased from \$11,390,000 in 2009 to \$18,343,000 in 2010, which was an increase of \$6,953,000 or 61.04%.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☒ **Held as non-leveraged increase to total capital.**

BancPlus Corporation had \$39,354,000 of cash on deposit in BankPlus as of 12/31/2010. These funds have not been leveraged and are available to increase total capital in the subsidiary Bank if needed.

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

BankPlus was able to avoid numerous foreclosures of 1-4 family residential homes by funding the BankPlus Homeownership Stabilization Program with liquidity provided by the capital infusion of CPP/CDCI funds. The foreclosures were avoided by working with borrowers to restructure their loans with special terms to provide a workable repayment plan. The intent of the BankPlus Homeownership Stabilization Program is to stabilize real estate values in markets served by the Bank by working with homeowners and homebuilders to prevent foreclosures and to stimulate sales of homes and residential lots at fair market values rather than at forced sale liquidation values. The Program ensures an orderly, fair and consistent process for working with every homeowner who is at risk of foreclosure with BankPlus and will improve loan quality by providing an opportunity for those homeowners to restructure their home mortgage loan on a more affordable monthly payment. The special financing options include a reduced interest rate and an amortization of as long as 40 years if necessary to reduce the borrower's monthly payment to an affordable level. During 2010 foreclosures were avoided on 54 homes as follows: 33 homeowners avoided foreclosure on loans totaling \$3,413,000. 21 homebuilders avoided foreclosure on loans totaling \$3,224,000. 54 foreclosures were avoided on loans totaling \$6,637,000.

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### What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

BancPlus Corporation, through its wholly-owned subsidiary Oakhurst Development, Inc., was able to acquire \$10,421,000 of substandard assets, non-performing loans and other real estate owned, from BankPlus by utilizing the capital infusion provided by the CPP/CDCI funds. BankPlus improved its asset quality and liquidity by selling the substandard assets; thus, the Bank was able to fund new loans to creditworthy borrowers. The dollar amount of new loans originated by BankPlus during 2010 was as follows: Farmland - \$32,338,000, Multifamily Residential - \$2,049,000, Business Real Estate Non-Owner Occupied - \$32,439,000, Business Real Estate Owner Occupied - \$14,501,000, Construction 1-4 Family Residential - \$54,915,000, Commercial Construction & Land Development - \$30,969,000, 1-4 Family Residential Revolving - \$20,372,000, 1-4 Family Residential 1st Lien - \$71,236,000, 1-4 Family Residential Jr. Lien - \$17,915,000, Agricultural Production - \$75,089,000, Business Loans - \$81,075,000, Personal Loans - \$33,206,000. Total amount of new loans originated by BankPlus during 2010 - \$466,104,000. Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds. BankPlus was able to expand its Small Dollar Loan Program, CreditPlus, during 2010 as a result of the liquidity provided by the capital infusion of CPP/CDCI funds. During 2010 there were 2,741 new small dollar loans funded totaling \$2,121,000. The BankPlus Small Dollar Loan Program combines financial literacy training with a low-interest small-dollar loan alternative to expensive Pay Day Lenders, Check Cashing Services and other high-cost financial service providers to empower low-to-moderate income people to become part of the mainstream banking system.

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**Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.**

Please see above.